

## **Characteristics of independent diagnostic and testing facilities and ambulatory surgical centers**

**ISSUE:** As part of our research on the use of imaging services, we are examining the growth of freestanding imaging centers and Medicare's oversight of such facilities. We are also continuing to analyze the structure of the ambulatory surgical center (ASC) industry and the characteristics of markets in which ASCs are located. This research may be useful for our annual assessment of the adequacy of Medicare's payments for ASC services. It may also be relevant to our work on specialty hospitals.

### **KEY POINTS:**

- Entities that are independent of a hospital or physician office that furnish diagnostic procedures are required to enroll with Medicare as an independent diagnostic and testing facility (IDTF).
- Medicare spending for IDTF services nearly doubled between 2000 and 2002.
- ASCs are distinct entities that exclusively furnish outpatient surgical services not requiring an overnight stay. About half of Medicare-certified, high-volume ASCs are single-specialty.
- Although the number of single-specialty ASCs increased between 2000 and 2002, they declined as a share of all high-volume ASCs.
- Most ASCs are located in states that do not have certificate of need laws, which require prior approval to build or expand ASCs.
- Markets with a high concentration of ASCs are more likely to have faster population growth, more health care resources, and lower managed care penetration.

**ACTION:** We are seeking Commissioners' feedback on our analysis of these issues and our plan for future work.

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